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C O N F I D E N T I A L LA PAZ 002073

SIPDIS

DEA PASS TO BRAUN, HARRIGAN, PLACIDO

E.O. 12958: DECL: 09/24/2018

TAGS: [SNAR](#) [PGOV](#) [PREL](#) [PTER](#) [EAID](#) [ASEC](#) [BL](#)

SUBJECT: BOLIVIAN DRUG CZAR: CN COOPERATION TO CONTINUE

REF: A. LA PAZ 2039

[1](#)B. LA PAZ 2019

[1](#)C. LA PAZ 2005

Classified By: EcoPol Chief Mike Hammer for reasons 1.4 (b) and (d)

[1](#)1. (C) Summary: Vice Minister of Social Defense Felipe Caceres told EmbOffs September 22 that the government would continue bilateral counter-narcotics efforts so long as USG funding was not cut. Caceres said the inclusion of waiver to continue CN assistance tempered cabinet reaction to the September 16 USG decertification of Bolivia's CN efforts. Caceres claimed Bolivia would have severed CN cooperation without the waiver and turned instead to Iran and Libya. Despite public government comments to the contrary, Caceres assured EmbOffs that a \$16 million allocation of domestic CN funds and overtures to other countries for CN assistance did not foreshadow suspension of USG CN assistance, at least in the short term. Although Caceres argued the decertification was unjustified and registered doubts about DEA's mission, he nevertheless claimed he would continue to be an advocate for USG CN cooperation. End Summary.

[1](#)2. (C) In the wake of the USG's September 16 decision to decertify Bolivia's counter-narcotics efforts and subsequent heated public criticism of the same from Bolivian officials (reftels), DEA Attache' and NAS Director met with Vice Minister of Social Defense Felipe Caceres September 22 to gauge the future of bilateral counter-narcotics efforts. DEA Attache' also met with Caceres September 19 to explain that DEA wants to continue working in Bolivia and that DEA brings more to counter-narcotics assistance efforts than funds, such as sharing expertise, information, and training with Bolivian counterparts and acting as a conduit for international CN

cooperation.

#### Caceres: Bilateral CN Cooperation Dodges a Bullet

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¶3. (C) Caceres explained the government is focusing on how USG CN assistance will be administered, not/not rejecting the assistance as a knee-jerk reaction to decertification. (Note: This had been publicly foreshadowed by government officials including President Evo Morales last week. End Note.) Caceres said the waiver to continue CN assistance released simultaneously with the decertification made it difficult for radicals in Morales' cabinet to argue for cutting CN ties with the United States. Caceres said a major cutback in U.S. assistance would have led the Morales Administration to sever cooperation outright. Caceres confirmed unidentified ministers were hoping USG CN funds would be reduced in conjunction with the decertification decision, providing an excuse to sever all CN ties and replace our assistance with "double the amount from Iran and Libya."

¶4. (C) Caceres attempted to separate NAS and DEA assistance, saying if NAS funds to the government were cut, DEA would also be asked to leave. DEA Attache' turned the argument around and replied that if DEA were expelled, there would be no reason for NAS, or its funding, to remain. Caceres indicated that he would leverage his 27-year friendship with Morales to dispel negative "rumors" about DEA and defend the USG's CN cooperation in general. Although Caceres argued the decertification decision was unfair, he added he did "not care much" about it, so long as the CN funding remained.

#### Bolivia's Continued "Control" Fixation

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¶5. (C) Caceres said the government would continue to accept USG CN assistance, but that it would need to have more control over how funds are administered. He complained it is not fair that he personally has little control over \$26 million in USG CN assistance. (Comment: It is apparent that the Bolivians do not have the capacity to administer such large budgets. The fact is increasingly at odds with the administration's rhetorical promises to "nationalize" foreign assistance of all kinds. End Comment.)

¶6. (C) EmbOffs explained to Caceres that although the USG would not simply transfer funds to the government, we were willing to look at building government capacity to administer its new CN budget, and help them with procurement, accounting, auditing, warehousing, and other essential functions. NAS Director emphasized the transparency of NAS assistance, that 88 percent of NAS funds go directly to government CN efforts (as opposed to administrative overhead), and offered to share any information about the program. DEA Attache' suggested gearing assistance to help the Ministry administer funds.

#### New Domestic CN Funds Not Replacement for USG Funds

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¶7. (C) According to Caceres, the government will provide a \$16 million CN budget starting 2009 focused on interdiction. Although the new funds are designed to fill a rhetorical need for the government to distance itself from a perceived dependence on USG assistance, Caceres clarified the allocation of domestic funds did not signal the government intended to necessarily reject USG assistance. Instead, he explained the government wanted more control in how USG funds are spent, consistent with the government's general direction to have more national control coordinating international assistance. EmbOffs replied it welcomed the government's proposal to invest more national funds in CN efforts, as well as efforts to seek CN assistance from other countries.

#### New Partners Not Replacement for Uncle Sam

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¶8. (C) Caceres confirmed the government is engaging with other countries for CN cooperation, particularly Spain, Brazil, Portugal, and Russia. In addition to the loans for Russian helicopters used in CN efforts announced last week, Caceres said the government was seeking CN training from the Russians as well. Caceres said he first met with the Russian EmbOffs in 2006 to discuss CN cooperation and that Morales has latched on to the idea, meeting with Russian Ambassador recently to move the initiative along. He added Morales also discussed a potential defense treaty and military assistance.

(Note: German regional counter-narcotics liaison Raimund Dueren told us the Russians are leading the Bolivians on with dubious promises of aid to get a foothold in South America. End Note.) Caceres explained the government is still in the early stages of determining where assistance from other countries can best be applied to Bolivia's CN efforts.

#### The Paranoia Wildcard

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¶9. (C) Although Caceres conceded the Morales administration sometimes views USG CN efforts inaccurately and that certain ministers occasionally "make things up" regarding the same, he nevertheless contended there was a political level to DEA's work in Bolivia. Caceres warned that if the DEA overstepped its CN mission, it could be expelled. When DEA Attache' countered that the DEA does not have a political agenda in Bolivia and asked the Vice Minister to clarify what he meant, Caceres could only provide the example of Ambassador Goldberg meeting with Opposition Prefect (governor) Ruben Costas.

#### Building Trust and Moving Forward: Mission Possible?

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¶10. (C) NAS Director commented that allowing the DEA back into the Chapare region (along with the Yungas, Bolivia's two main coca-producing areas) would be a good sign the government is serious about continuing CN cooperation with the United States. NAS Director also suggested the government repair its frayed relationship with USAID, perhaps by allowing USAID to wrap up its efforts in the Chapare in an orderly manner and acknowledging the value of USAID's Chapare work, while asking it to refocus on efforts in the Yungas. Caceres indicated these were suggestions he could work on and said the recent government agreement with Yungas coca producers for "social control" of the crop would pave the way for new CN efforts there (reftel a). The Embassy will meet with Caceres and the Armed Forces Joint Command September 24 to discuss next steps.

#### Comment

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¶11. (C) For the moment it appears our CN cooperation will remain in Bolivia so long as the money flows, including ATPDEA. A cut-off of ATPDEA could well prompt hard-liners in the government to again attempt to end CN cooperation and/or expel USAID. Caceres succeeded in assuaging our concerns the government might unilaterally cut all CN cooperation in the short term, but we are much less confident in the long-term future of our CN cooperation. Overtures to other countries for CN help and large increases in domestic CN funding may not necessarily mean the Bolivians want to kick us out today, but the government's public rhetoric and past private comments clearly links these measures to an eventual decrease or elimination of USG CN assistance. On a positive note, Bolivia's seeking other CN partners and funds may not be a bad thing, if strictly limited to the CN mission. As always, the devil is in the details. End Comment.

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